Board of Directors Meeting
Meeting: 11:30 a.m., Jan. 8, 2020
Bret Kelly, Room A, 1st Floor
Rawlings Library ★ 100 E. Abriendo Ave. ★ Pueblo, Co 81004

M I N U T E S

A. Welcome and Call to Order .... Lyndell Gairaud

Ms. Gairaud called the meeting to order at 11:31 a.m. She also welcomed new board member Elizabeth Gallegos and guest Joe Arrigo.

B. Roll Call and Verification of Quorum .... Gloria Madrill

Board Members Present–Lyndell Gairaud, President; Michael Voute, Treasurer; Iris Clark, Elizabeth Gallegos, Jessi Ones, and Gala White

Absent–Dustin Hodge

Staff Present–Jon Walker, Sherri Baca, Nick Potter, Alexandria Romero and Gloria Madrill

Guests-Joe Arrigo, Michael Salardino and Jennelle Chorak

A quorum is met with 6 out of 7 (71%) members present.

C. Modifications to Agenda for January 8, 2020 Meeting .... All

No modifications made to the agenda.

D. Approval of Minutes of November 13, 2019 Meeting .... All

Mr. Voute made a motion to accept the minutes. Seconded by Ms. White. All in favor. Motion passes.

E. Treasurer's Report .... Michael Voute

Fourth Quarter 2019 Raymond James Investment Statement

Mr. Voute welcomed and introduced Ms. Jennelle Chorak and Mr. Michael Salardino from Security Service Investments to review the Foundation's portfolio. They are providing an overview of where we were, where we are going as well as any recommended changes. Investments experienced an unrealized long term gain of $16,597.58 and a 15-year 7.5% annualized return. The rate last year was 21% which was great but not normal, 7.5% is more normal.

Ms. Chorak said they have a recommended change. They have been looking at a new perspective fund and would like to move $18,300 to this fund. They would like to rebalance and move 8.5% of the overall portfolio to the JP Morgan Core Bond Fund. It is a high credit quality fund with a current yield of 2.34%. In regards to the Foundation's investment policy statement, we can hold 40% in bonds and it would keep us in the parameter. Mr. Walker asked about our current allocation, Ms. Baca answered we have 26% allocation in bonds. Ms. Chorak added, we don't have specific bond funds but we have exposure to funds through income funds. Mr. Walker commented, moving from stocks to bonds would be more stable but less growth oriented. Mr. Voute added if we went that route we would be abandoning our best investment. Mr. Salardino said we have a portfolio that meet the criteria and we want to keep that strategy. If the fund had gone down we would have been adding to it. We have to keep balanced to stay with the investment policy statement. Mr. Voute clarified in regards to the horizon we are looking at long term and we may not have informed you properly and would like for you to reassess with this information. Mr. Salardino said the investment policy wants 2.2%. There will be years where more aggressive stocks have losses. But if we have a longer horizon, it would not be what they recommend. Ms. Baca said we had a need for $50,000 but we are looking at the long term and PCCLD should not need a large amount from the Foundation or a need for liquidating assets. Ms. Baca asked if that would change their recommendation, with that knowledge. Mr. Salardino said because you are a board managing in a fiduciary capacity we should take risk off the table and a lot can change in two to three years.

Ms. Baca commented with a long term perspective in mind, she agreed with Mr. Voute and we should be more liquid. Ms. Chorak added it is not about liquidity, but getting through market volatility. Mr. Voute expressed concern about transferring funds from an investment making 30% to a bond with 2.3%. In the conversation it was noted it is a small percentage of the portfolio, moving 8.5% of 30% of the portfolio and would be moving a gain to a little more protected account. The $18,000 is currently in the New Prospective Fund. There was further clarification that it is just the gain looking to be moved, not the whole account. Mr. Salardino commented that if it was decided to go against their recommendation they want that decision noted.

Ms. Baca suggested the Finance Committee reconvene to talk about this recommended change so a decision can be made before the next April meeting. Mr. Salardino and Ms. Chorak continued talking about the portfolio and the importance of it being a global portfolio. They shared 45 out of the 50 best stocks are not in the U.S. Also we are to expect more volatility in the market in an election year and more before the nominees are known. Swoons are expected but in the long run, politics are not a factor. The long term is in the earnings, not politics.

December 31, 2019 Financial Report

Ms. Baca started the review of the Balance Sheet as of December 31. She reminded the board that the report is preliminary. The next step is preparing for the audit and making sure things are reported correctly. The financial report may be adjusted in some way but we do not anticipate it being adjusted in a big way. The investment fund has been marked to market matching the $210,211.36 value in the fourth quarter Raymond James Statement. Ms. Baca noted we do have an accounts receivable balance as some contributions are in transit. The revenue will need to be booked for 2019. Assets and investments are growing and we have no liabilities.

Next, Ms. Baca reviewed the Statement of Revenue and Expenditures which shows fourth quarter activity. Revenue is broken down into two categories (with and without restrictions). Investment earnings is $4,984. We had an unrealized gain and investment earnings were greater than budgeted. She then reviewed the three category of expenses. Ms. Baca reminded the board contributions to PCCLD show the Foundation supporting the library. The bulk of the amount ($50,000) represented capital campaign design work for the library. Overall we had a financially successful year with revenue over expenses of $10,614 and $73,026 in contributions to PCCLD.

Ms. Baca concluded her report with a review of the Statement of Restrictions. She reminded the board these amount represent contributions given to us that haven’t fulfilled their purpose yet and are being tracked. We use this to make sure we spend accordingly with the purpose the donor intended. Currently the total (in the checking and investment accounts) is $99,646.12. Mr. Voute made a motion to accept the Financials. Ms. Gallegos seconded. All in favor. Motion passed.

Authorize Online Banking Access

Ms. Baca said we would recommend that the board authorize online access and authority for Alexandria Romero, Controller, to transfer funds for the Foundation. Mr. Voute made a motion to accept the recommendation. Ms. Ones seconded. All in favor. Motion passed.

F. Director's Report .... Nick Potter

Q4 Fundraising Report & Colorado Gives Day/Annual Campaign Results

Mr. Potter reviewed gifts received by the Foundation and PCCLD. Gifts highlighted in orange signify gifts we are looking to transfer to from the checking account to the investment account. Gifts in purple are restricted and being recommended for transfer back to PCCLD. Mr. Potter thanked Mr. Voute for his very generous contribution this quarter. He also talked about the All Pueblo Reads insert and reminded the board the Foundation paid for the $5,200 for the expense. This year we received $802.30 in Colorado Gives Day contributions, $3,280 in end of year gifts, $625.12 in employee gifts and a little more than $1,800 in contributions through the website.

On the PCCLD side, gifts included $20,000 for Fun Friday programming, $17,500 for fall program grants, a gift from the Lenore Chamberlain Non-discretionary fund, and contributions in support of All Pueblo Reads including a sponsorship from Black Hills Energy for a special reception for the Boys and Girls Club members. The children had an opportunity to meet All Pueblo Reads author Julia Alvarez and get their books signed.

The total amount recommended for transfer to the investment fund is $20,000 and includes contributions that came in this quarter, a portion of the contributions from the 2019 Booklovers Blacktie Ball and a portion of the Lenore Chamberlain contributions. The total amount recommended to be transferred from the Foundation to PCCLD was $2,250 and reflects contributions in support of Youth Services and the Lucero Library. These recommended transfers were approved at the Finance Committee meeting held on January 6.

Mr. Potter discussed a gift regarding the 6B election. The campaign originally asked for another $10,000 in support but we were waiting to make the contribution. We want to discuss forgoing the gift request and it going to Foundation activities instead since the contribution is no longer needed. No one was opposed to the recommendation.

Mr. Potter compared fourth quarter activities from this year to last year. In 2018 contributions totaled $7,047.47 and in 2019 the total was $6,517.42. In 2019, less gifts came in for Colorado Gives but more contributions came in for the end of year mailing. With the end of year mailing, we made it simpler and easier to donate and including a business reply envelope. We also noticed Colorado Gives Day had an increase in organization participation. With so many organizations participating and with the end of year campaign running simultaneously we noticed a lot of competition even with ourselves. Looking forward in 2020, our library as well as other library development professionals would like to focus on a library giving day. We are hoping for better activity as there will not be as much competition. Library Giving Day is scheduled for April 23 and will hit when tax returns are occurring. Which is a great segue to speak about another opportunity, contributions through state tax refunds. For the first time, the state of Colorado is allowing tax payers who are receiving a refund to donate the refund to a qualifying nonprofit organization not listed on the form. Donors can give portion of their refund or all of it.

All Pueblo Reads and Booklovers Blacktie Ball Report

Mr. Potter reported some highlights of All Pueblo Reads and the Booklovers Blacktie Ball. This year 38,826 participated in All Pueblo Reads and the library experienced its fourth highest year of participation. This year, 246 attendees for the Booklovers Blacktie Ball. We distributed 711 copies of the children's author companion books and hosted 233 programs over a five-week period. We had 21 partners, including CSU-Pueblo and the Children's Choral. It was the largest year in terms of sponsorships and second largest in ticket sales and donations received. In 2020 we want to run the finances through the Foundation. It is currently run through PCCLD. Provided in the handouts is a breakdown of income and expenses for the event which reflects the event can fend for itself. It had a profit over loss is just under $50,000.

2020 Foundation Budget/Fundraising Budget

Ms. Baca reviewed the proposed 2020 budget. She reminded the board it is a management tool and helps show where we need to be when making plans for the year. The budget for 2019 is included for comparison. With Booklovers Blacktie Ball being added to the Foundation's budget, event income and expense is expected to be larger in the 2020 (lines 18 and 32). We also don't expect another $50,000 ask from PCCLD in the near future so Contributions to PCCLD have been adjusted to $6,000. Line 45 shows estimated revenue over expenditures of $18,562. We will host five fundraising events (Booklovers Blacktie Ball, Kids Parade, Leadership Institute, Handmade Holiday, and the Earth Day/Botanical Fair). The two new events (Handmade Holiday and Earth Day/Botanical Fair) will also give us the opportunity to increase attendance. Handmade Holiday brought in 2,700 additional people when the normal attendance is for that day is usually 990. We will be selling booth space and sponsorship opportunities. Mr. Voute made a motion to accept the budget. Ms. Gallegos seconded. All in favor. Motion passed.

G. Announcements .... Lyndell Gairaud

Ms. Gairaud shared the Outstanding Women Awards nomination deadline is February 7. The Foundation has traditionally nominated two women we would like to recognize. This year we would like to nominate Eileen Arnot and Gala White for their service and commitment to the library.

H. New business…………………………………………………………………Lyndell Gairaud

Board resignation, terms and prospects and Officer Elections

Ms. Gairaud shared Ms. King wishes not to renew her board term. Ms. Gairaud on behalf of the board expressed her appreciation for Ms. King's service on the board. With her resignation, the position of Secretary is available. Ms. Gairaud also shared she would like to remain on the board and serve as Vice President instead of President. The board packets include a write in ballot for officer elections. The ballot includes names of board members interested in the positions as well as a write-in option.

Committee Assignments

Ms. Gairaud also passed around a committee sign up page for board members to select which committees they would like to serve on. The committees include: Development, Finance and Investment, Nominating and Governance. The Governance selection is an advisory committee and helps review policies.

Board meeting dates and Updated Roster

Ms. Gairaud referred everyone to the dates listed on the agenda for suggested board meeting dates. Mr. Voute noted since we have a meeting now in November we may want to consider altering the schedule to continue the pattern of every three months. A new set of dates will be looked at and shared via email. Ms. Gairaud also noted an updated roster is included in the packets for your reference.

I. Old Business .... Lyndell Gairaud

None. Mr. Voute congratulated Ms. Baca on her new position of PCCLD Associate Executive Director.

Next Meeting: TBD

Adjourned 1:05 p.m.

Respectfully submitted,

Gloria Madrill
Recording Secretary